

147 FERC ¶ 61,260
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

June 27, 2014

In Reply Refer To:
Columbia Gas Transmission, LLC
Docket No. RP14-1017-000

Columbia Gas Transmission, LLC
5151 San Felipe
Suite 2400
Houston, TX 77056

Attention: James R. Downs
Vice President, Rates & Regulatory Affairs

Dear Mr. Downs:

1. On May 30, 2014, Columbia Gas Transmission, LLC (Columbia Gas) filed revised tariff records,¹ to modify its methodology for scheduling interruptible capacity under its Parking and Lending service (PAL). Under its current tariff, Columbia Gas must allocate interruptible capacity under Rate Schedule PAL on a *pro rata* basis to its shippers based on each shipper's nominated quantities. Columbia Gas proposes to change this method so that such capacity will be allocated based on the net present value (NPV) of the service with transactions resulting in the same NPV to be allocated *pro rata*. Columbia Gas asserts that this methodology is similar to previously approved methodologies for other interstate pipelines.² The revised tariff records are accepted, effective July 1, 2014, subject to the condition, as discussed below.

¹ Columbia Gas Transmission, LLC, FERC NGA Gas Tariff, Baseline Tariffs, [Gen. Terms & Conditions, Capacity Allocation, 4.0.0](#) and [Gen. Terms & Conditions, Interruptions of Service, 3.0.0](#).

² Columbia Gas Transmittal Letter at p. 1 (citing *Guardian Pipeline, LLC*, 111 FERC ¶ 61,292, at 62,262 (2005); *Viking Gas Transmission Co.*, 89 FERC ¶ 61,335, at 62,014 (1999)).

2. Public notice of the filing was issued on May 30, 2014. Interventions and protests were due as provided by section 154.210 (18 C.F.R. § 154.210 (2013)). Pursuant to Rule 214, 18 C.F.R. § 385.214 (2013), all timely motions to intervene and any unopposed motions to intervene out-of-time filed before the date of this order are granted. Granting late intervention at this stage of the proceeding will not disrupt the proceeding or place additional burdens on existing parties. On June 19, 2014, comments were filed by Direct Energy Business Marketing, LLC (Direct Energy).

3. On June 20, 2014, Columbia Gas filed an answer to the issue raised by Direct Energy. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure prohibits answers to protests or answers unless otherwise permitted by the decisional authority.³ We will accept Columbia Gas' answer because it provides information that will assist us in our decision-making process.

4. Direct Energy requests that the Commission accept Columbia Gas' instant proposal subject to clarification of section 2(b) of the PAL Rate Schedule. Direct Energy states that Auto PAL service allows shippers to have Columbia Gas automatically deem certain quantities at pooling points to be park or loans. Columbia Gas automatically adjusts the shipper's scheduling nominations so that quantities scheduled into the point are equal to quantities scheduled from the point, and the adjusted quantity is treated as a park or a loan. Thereafter, the Auto PAL shipper must unpark or return the gas by submitting a corrective scheduling nomination for that purpose. Section 2(b) of the PAL rate schedule provides for an extension of the shipper's obligation to unpark or return the gas during constrained periods. Direct Energy is concerned that the instant proposal may create uncertainty concerning whether the proposed scheduling priority changes would apply to Auto PAL service, and if so, what effects may result from the changes. Accordingly, Direct Energy requests that the Commission make its acceptance of the proposed tariff revisions in the captioned proceedings subject to a clarification that use of NPV in scheduling and curtailing PAL service by Columbia Gas will not alter the operation of the Auto PAL provisions.

5. In its answer, Columbia Gas states that the proposal is intended to replace the outdated model of providing PAL service on a *pro rata* basis with the Commission-approved methodology of providing PAL service on a NPV basis.⁴ Columbia Gas states

³ 18 C.F.R. § 385.213(a)(2) (2013).

⁴ Columbia Gas Answer at p. 2 (citing *Transcontinental Gas Pipe Line Co.*, Docket No. RP10-356, Letter Order (February 19, 2010) (permitting allocation of PAL service based on highest revenue calculation); *Tennessee Gas Pipeline Co.*, 133 FERC ¶ 61,266 (2010) (permitting scheduling priority of Rate Schedule PAL by price); *Texas Eastern Transmission. L.P.*, 98 FERC ¶ 61,215 (2002) (permitting Rate Schedule PAL curtailment based on NPV)).

that it did not intend to create any ambiguity in the historic operation of its PAL service. Columbia Gas states that its position is that Auto PAL is an additional feature of PAL service, not an entirely new service;⁵ therefore, the PAL Rate Schedule should apply equally to Auto PAL transactions. However, in its answer, Columbia Gas states that it is amenable to clarifying section 2(b) in a compliance filing once an order is issued permitting the allocation of PAL service based on a NPV evaluation.

6. The Commission finds that the proposed revisions to the Rate Schedule PAL allocation process as reflected on the referenced tariff records are accepted effective July 1, 2014, subject to Columbia Gas filing, within 15 days of the issuance of this order, a clarification to section 2(b), consistent with its answer in the instant proceeding.

By direction of the Commission.

Kimberly D. Bose,
Secretary.

⁵ Columbia Gas Answer at p. 2 (citing Columbia Gas June 28, 2007 Answer in Docket Nos. RP07-478-000 and RP07-479-000, at p. 8).